

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE*In re* Patent Application of:

Docket No.: P27015

Jacques FIESCHI, *et al.*

Confirmation No.: 5924

Serial No.: 09/810,286

Group Art Unit: 3621

Filed: March 16, 2001

Examiner: WORJLOH, Jalatee

**For: METHOD FOR VALIDATING AN ELECTRONIC PAYMENT BY A
CREDIT/DEBIT CARD**

Commissioner for Patents
U.S. Patent and Trademark Office
Customer Window, Mail Stop AF
Randolph Building
401 Dulany Street
Alexandria, VA 22314

AMENDMENT UNDER 37 C.F.R. § 1.116

Sir:

In response to the **Final Office Action** mailed on January 18, 2006 ("Office Action"), please amend the above-identified application as follows.

Amendments to the claims are set forth on pages 2-7.

Remarks are set forth on pages 8-22.

Conclusion is set forth on pages 22-23.

Applicants believe that no extensions of time are required at this time, but if extensions of time are necessary to prevent abandonment of this application, then such extensions of time are hereby petitioned under 37 C.F.R. §1.136(a), and any fees required therefore (including fees for net addition of claims) are hereby authorized to be charged to **International Business Machines Deposit Account No. 09-0457** (Endicott). Please charge any deficiencies in fees and credit any overpayment of fees to the same Deposit Account.

AMENDMENT TO CLAIMS

Please **AMEND** claim 26 as follows.

A copy of all pending claims and a status of each are provided below.

Listing of Claims:

1. (Previously Presented) A method for validating an electronic payment by a credit/debit card in a transaction system, comprising:

registering a purchase of at least one article by a buyer using a credit/debit card associated with at least one PIN code at a seller terminal connected to an electronic payment center by a communication network;

checking, by the electronic payment center, that the at least one PIN code which is provided by said buyer to said electronic payment center is associated with the number of said credit/debit card provided by said buyer to said seller terminal;

checking, by said electronic payment center, whether or not said at least one PIN code is valid; and

one of:

checking, by said electronic payment center, whether the electronic payment center has received a pre-validation from a third party;

contacting a third party via a communication network and requesting that the third party validate the purchase, and

contacting a third party via a communication network and requesting said at least one PIN code from the third party,

wherein the third party is a prime owner of the credit/debit card.

2. (Previously Presented) The method according to claim 1, wherein said buyer has a terminal which is connected to the communication network and said terminal is configured to transmit the number of the credit/debit card.

3. (Previously Presented) The method according to claim 1 or 2, wherein the credit/debit card number and the at least one PIN code which have been provided to said seller terminal by said buyer are transmitted to said electronic payment center to check whether the at least one PIN code is associated with said credit/debit card number.

4. (Previously Presented) The method according to claim 3, wherein said electronic payment center checks in at least one profile table whether said PIN code is associated with the credit/debit card number.

5. (Previously Presented) The method according to claim 4, further comprising the step of checking by said electronic payment center whether the amount of said purchase of the at least one article is below a maximum amount authorized for the at least one PIN code, each PIN code authorizing a different maximum amount.

6. (Previously Presented) The method according to claim 5, further comprising the step of checking by said electronic payment center whether or not there is a prevalidation of the purchase of the at least one article by said buyer.

7. (Previously Presented) The method according to claim 6, wherein said prevalidation of the purchase of the at least one article by said buyer is cleared after it has been used.

8. (Previously Presented) A system for validating an electronic payment by a credit/debit card comprising means adapted for carrying out the steps of the method according to claims 1 or 2.

9. (Previously Presented) A method for validating an electronic payment, comprising the steps of:

providing, from a buyer to a seller in order to conclude a sale, a credit/debit card number;

receiving transaction information from a buyer and a seller by an electronic payment center;

performing a first validation with the transaction information from the buyer and the seller by the electronic payment center;

requesting, by the electronic payment center, further validation from a third party to provide authentication by an electronic transaction; and

processing the sale by an electronic transaction upon authentication by the first validation and the further validation,

wherein the requesting comprises one of:

contacting the third party via a communication network and requesting that the third party validate the sale; and

contacting the third party via a communication network and requesting the buyer PIN code from the third party, and

wherein the third party is a prime owner of the credit/debit card.

10. (Previously Presented) The method of claim 9, wherein:

the transaction information sent by the buyer is at least one of article information, date and time of purchase, the buyer PIN code, and the credit/debit card number, and

the transaction information sent by the seller is at least one of article information, date and time of purchase, and the buyer PIN code.

11. (Previously Presented) The method of claim 10, wherein the article information includes purchase price.

12. (Previously Presented) The method of claim 9, further comprising the seller receiving the credit/debit card number, an article identification, a transaction time, a transaction date, and the buyer PIN code from the buyer.

13. (Previously Presented) The method of claim 9, further comprising the electronic payment center comparing at least one portion of the transaction information with profile table information.

14. (Previously Presented) The method of claim 13, wherein the profile table information comprises at least one of the credit/debit card number, the buyer PIN code, and an authorization amount corresponding to the buyer PIN code.

15. (Previously Presented) The method of claim 13, wherein the electronic payment center clears the at least one portion of transaction information from the third party.

16. (Previously Presented) A method for electronic sales, comprising:
receiving transaction information from a buyer and a seller by an electronic payment center;
performing a pre-validation of buyer information with a third party;
performing a validation with the transaction information from the buyer and the seller by the electronic payment center using a credit/debit card number and a PIN code provided by the buyer; and
providing authentication for a sale by an electronic transaction when the pre-validation and validation provide authorization,
wherein the third party is a prime owner of the credit/debit card.

17. (Previously Presented) The method of claim 16, further comprising determining, by the electronic payment center, whether an amount charged to the credit card number is within an authorized limit, if the PIN code of the transaction information is verified.

18. (Previously Presented) The method of claim 17, further comprising checking for pre-validation of the PIN code when the amount charged to the credit card number is within an authorized amount.

19. (Previously Presented) The method of claim 18, further comprising sending an error message to the buyer if the amount is outside an authorized limit.

20. (Previously Presented) The method of claim 9, further comprising sending an error message to the buyer if a purchase amount is outside an authorized limit of the credit/debit card.

Claim 21. (Canceled).

22. (Previously Presented) The method of claim 1, wherein each PIN code of the at least one PIN code is used only once and a different PIN code of the at least one PIN code is used for a later transaction.

23. (Previously Presented) The method of claim 1, wherein the at least one PIN code is associated with two or more members of a group and the group is associated with the number of the credit/debit card.

24. (Previously Presented) The method of claim 23, wherein the at least one PIN code is different for different members of the group, and wherein the at least one PIN code authorizes a different purchasing amount for the different members of the group.

25. (Previously Presented) The method of claim 23, wherein the third party is a member of the group and the third party limits a transaction involving the credit/debit card to a pre-determined purchasing amount.

26. (Currently Amended) The method of claim 1, wherein the third party is a living human being and wherein the method comprises not contacting the third party and but instead checking, by said electronic payment center, whether the electronic payment center has received a pre-validation from the third party.

27. (Previously Presented) The method of claim 16, wherein the third party is a living human being and wherein the performing a pre-validation of buyer information with a third party occurs by checking, by said electronic payment center, whether the electronic payment center has received a pre-validation from the third party, wherein the

providing authentication for a sale by an electronic transaction when the pre-validation and validation provide authorization occurs after pre-validation and between the electronic payment center and the seller, and wherein the third party is a person other than the buyer.

REMARKS

Claims 1-20 and 22-27 are currently pending in the application. Claims 1, 9, and 16 are independent claims. Claim 26 is amended. Reconsideration of all pending claims in view of the following remarks is respectfully requested.

Present Amendment is proper for entry

Applicants respectfully submit that the instant amendment is proper for entry after final rejection. Applicants note that no question of new matter is presented nor are any new issues raised in entering the instant amendment of the claims and that no new search would be required. Moreover, Applicants submit that the instant amendment places the application in condition for allowance, or at least in better form for appeal. Accordingly, Applicants request the Examiner to enter the instant amendment, consider the merits of the same, and indicate the allowability of the present application and each of the pending claims. Applicants note, in particular, that claim 26 has been amended consistent with the Examiner's suggestion.

Claim Objection

Claim 26 was objected to on the basis of an alleged informality.

While Applicants disagree that claim 26 is properly objected to, Applicants are nevertheless herein amending claim 26 as suggested by the Examiner in an effort to advance prosecution and because the suggested change to claim 26 has no effect on claim scope.

In view of the above, Applicants request that the Examiner reconsider and withdraw the instant objection.

35 U.S.C. § 112 Rejection

Claim 8 is rejected under 35 U.S.C. § 112, first paragraph, as allegedly being a single means claim and therefore having undue breadth. Applicants respectfully traverse this basis of rejection.

As explained in Applicants' previous response, claim 8 depends from claim 1 or claim 2 and recites means for carrying out the steps of claims 1 or 2. Under current US patent law, a means plus function claim interpreted under 35 U.S.C. § 112, paragraph six, necessarily recites, inter alia, the means disclosed in the specification and their equivalents. As a result, claim 8 cannot have undue breadth not contemplated by the inventors as asserted by the Examiner because this claim necessarily recites only those means disclosed in the specification and their equivalents, and those means which are required to carry out the multiple steps of claims 1 or 2. Additionally, by virtue of the dependency from claims 1 and 2, claim 8 does not impermissibly recite only a single means-plus-function claim.

In view of the above, Applicants request that the Examiner reconsider and withdraw the instant rejection.

35 U.S.C. §102(e) Rejection

Claims 1-3 and 9-12 are rejected under 35 U.S.C. §102(e) as being anticipated by U.S. Patent No. 6,098,053 to SLATER ("SLATER"). This rejection is respectfully

traversed.

In order to establish a *prima facie* case of anticipation under 35 U.S.C. § 102, a single prior art reference must disclose each and every element as set forth in the subject claim. *Verdegaal Bros. v. Union Oil Co. of California*, 814 F.2d 628, 631, 2 USPQ 2d 1051, 1053 (Fed. Cir. 1987). Applicants respectfully submit that a *prima facie* case of anticipation cannot be established because SLATER fails to teach each and every element of the claims.

In particular, independent claim 1 recites, *inter alia*,

one of:

- checking, by said electronic payment center, whether the electronic payment center has received a pre-validation from a third party;
- contacting a third party via a communication network and requesting that the third party validate the purchase, and
- contacting a third party via a communication network and requesting said at least one PIN code from the third party,

wherein the third party is a prime owner of the credit/debit card.

Moreover, independent claim 9 recites, *inter alia*,

wherein the requesting comprises one of:

- contacting the third party via a communication network and requesting that the third party validate the sale; and
- contacting the third party via a communication network and requesting the buyer PIN code from the third party, and

wherein the third party is a prime owner of the credit/debit card.

Applicants submit that SLATER does not disclose, or even suggest, at least these features.

Applicants acknowledge that col. 5, line 46 to col. 6, line 30 and col. 7, lines 60-65 of SLATER discloses a system for conducting a purchase between a buyer 2 and a seller 14 after the buyer submits a credit card number and a PIN. The system allows the seller 14 to send information which includes the card number and PIN to a financial

institution 22 who, in turn, sends a transaction request to the buyer's bank 28. If the request is approved by the buyer's bank 28, the financial institution 22 notifies the seller 14 of the approval in order to approve or authorize the transaction. However, it is clear that the system in SLATER does not utilize an electronic payment center which interacts with a third party who is the prime owner of the card and which can (1) check whether the electronic payment center has received a pre-validation from a third party, or (2) contact the third party via a communication network and request that the third party validate the purchase, or (3) contact the third party via a communication network and request said at least one PIN code from the third party, or (4) contact the third party via a communication network and requesting that the third party validate the sale, or contact the third party via a communication network and requesting the buyer PIN code from the third party. To the contrary, the system in SLATER provides for interaction only between the merchant 14 and the financial institution 22 and between the financial institution 22 and the buyer's bank 28. Furthermore, while it can be argued the financial institution 22 or the buyer's bank 28 constitutes a third party, it cannot reasonably be argued that the financial institution 22 or the buyer's bank 28 is the prime owner of the card.

Applicants submit that whereas SLATER requires interaction between a financial institution 22 and the buyer's bank 28 to validate or authorize the purchase between a buyer and a seller who has received card information from the buyer, the invention performs validation and approval between an electronic payment center and a third party who is the prime owner of the card. SLATER also requires an intermediary (i.e., the financial institution 22) between the seller 14 and the party approving the purchase

(i.e., the buyer's bank 28). Finally, the invention only requires, for approval, interaction between the electronic payment center and the third party or by the electronic payment center conducting a pre-validation resulting to a previous interaction between the third party and the electronic payment center.

Applicants also emphasize that, in SLATER, PIN 60 (Figure 3) is the secret PIN code associated with the credit card. This is the PIN code that is commonly used on credit cards nowadays. This PIN code is secret and is not given to any seller. Even for internet transactions, it is not recommended to transmit this PIN code. A identification number located on the back of the card is generally used to cross check the validity of credit cards.

The plurality of PIN codes described and claimed in the present invention differ from the common PIN codes used on ATM machines to get cash which is disclosed in SLATER. Unlike the PIN codes commonly used and mentioned in SLATER, the PIN codes according to the present invention need not be secret, even if they are not disclosed to everyone. The PIN codes according to the present invention instead indicate that the buyer has some rights to buy with the card up to a given amount. To validate these rights, verification with a third party is required. This third party is generally not the payment center. Both type of PIN codes: the secret PIN code known only by the owner and used on ATM and the public buyer PIN codes which can be given to sellers to validate transactions; can coexist on a credit card. The public buyer PIN codes are similar to the security number (generally 3 digits) written on the rear side (CB, mastercard) or the front side (4 digits) (AMEX) of a credit card except that public buyer PIN codes are not written, not unique, and have different levels. The difference

between private and public PIN codes is clearly defined on page 5 second paragraph of the specification which explains that public PIN codes can be derived with some algorithm from the secret "original" PIN code.

On page 6 of the instant Final Office Action, the Examiner cites col. 9, lines 65-67 and col. 10, lines 1-32 of SLATER as disclosing checking, by said electronic payment center, whether the electronic payment center has received a pre-validation from a third party, contacting a third party via a communication network and requesting that the third party validate the purchase, and contacting a third party via a communication network and requesting said at least one PIN code from the third party. However, conspicuously absent from the Examiner's argument is the fact that Applicants have defined in the claims the third party as a prime owner of the credit/debit card. Indeed, the noted language of SLATER discloses the following:

Financial institution 22 receives the protected financial transaction instructions 18 and decrypts them (Block 126). Financial institution 22 then validates financial transaction instructions 18, as well as insuring that purchase order information, purchaser's and merchant's transaction amount and other information utilized in performing the transaction is in agreement between purchaser 12 and merchant 14. As mentioned above, the present invention advantageously does not require any type of account relationship between purchaser 12, merchant 14 and financial institution 22. The purchaser 12 and/or merchant 14 only need to exchange keys with financial institution 22 for encryption/decryption purposes.

While this language explains that the financial institution 22 can validate a transaction between a purchaser 12 and a merchant 14, it clearly does not disclose or suggest that the entity which performs the validating, i.e., the financial institution 22, is a prime owner of the credit/debit card. Applicants remind the Examiner that, in Applicants invention, it is the prime owner of the credit/debit card, and not the bank or financial institution, who is the third party that provides the validation. As explained in the instant

specification, the prime owner can be, e.g., a man who gives cards to his wife and children and who will validate the transactions between the merchant and the wife and/or children (see paragraphs [0013] and [0014] of the instant published US application No. 2002/0007352).

Thus, Applicant respectfully submits that independent claims 1 and 9 and dependent claims 2 and 3 (and, if rejected, dependent claims 10-12) are allowable.

Accordingly, Applicants respectfully submit that the rejection under 35 U.S.C. § 102(e) should be withdrawn.

35 U.S.C. § 103 Rejections

Claims 4, 13-15 and 20 are rejected under 35 U.S.C. § 103(a) as being unpatentable over SLATER as applied to claims 3 and 9 in view of U.S. Patent No. 5,999,624 to HOPKINS. Claim 5 is rejected under 35 U.S.C. § 103(a) as being unpatentable over SLATER and HOPKINS as applied to claim 4, in further view of U.S. Patent No. 5,953,710 to FLEMING. Claims 6 and 7 are rejected under 35 U.S.C. § 103(a) as being unpatentable over SLATER, HOPKINS and FLEMING as applied to claim 5, in further view of U.S. Patent No. 6,205,437 to GIFFORD. Claims 16 and 27 are rejected under 35 U.S.C. § 103(a) as being unpatentable over SLATER in view of U.S. Patent No. 5,914,472 to FOLADARE et al. Claim 26 was rejected over SLATER as applied to claim 1, and further in view of FOLADARE. Claims 17-19 are rejected under 35 U.S.C. § 103(a) as being unpatentable over SLATER and FOLADARE as applied to claim 16, in further view of HOPKINS. Claim 22 is rejected under 35 U.S.C. § 103(a) as being unpatentable over SLATER as applied to claim 1, in further view of U.S.

Patent No. 6,014,650 to ZAMPESE. Claims 23-25 is rejected under 35 U.S.C. § 103(a) as being unpatentable over SLATER as applied to claim 1, in further view of U.S. Patent No. 6,213,391 to LEWIS. Each of these rejections is respectfully traversed.

Allowability of Independent Claims 1, 9 and 16

Neither SLATER or the combination of SLATER and FOLADARE disclose or suggest each and every element of at least independent claims 1, 9 and 16, as is required for a *prima facie* case of obviousness to be established.

Specifically, independent claim 1 recites, in pertinent part:

one of:

- checking, by said electronic payment center, whether the electronic payment center has received a pre-validation from a third party;
- contacting a third party via a communication network and requesting that the third party validate the purchase, and
- contacting a third party via a communication network and requesting said at least one PIN code from the third party,

wherein the third party is a prime owner of the credit/debit card.

Moreover, independent claim 9 recites, *inter alia*,

wherein the requesting comprises one of:

- contacting the third party via a communication network and requesting that the third party validate the sale; and
- contacting the third party via a communication network and requesting the buyer PIN code from the third party,

wherein the third party is a prime owner of the credit/debit card.

Finally, independent claim 16 recites:

- performing a pre-validation of buyer information with a third party;
- performing a validation with the transaction information from the buyer and the seller by the electronic payment center using a credit/debit card number and a PIN code provided by the buyer; and
- providing authentication for a sale by an electronic transaction when the pre-validation and validation provide authorization,

wherein the third party is a prime owner of the credit/debit card.

As explained above, SLATER discloses a system for conducting a purchase between a buyer 2 and a seller 14 after the buyer submits a credit card number and a PIN. The system allows the seller 14 to send information which includes the card number and PIN to a financial institution 22 who, in turn, sends a transaction request to the buyer's bank 28. If the request is approved by the buyer's bank 28, the financial institution 22 notifies the seller 14 of the approval in order to approve or authorize the transaction. SLATER does not, however, utilize an electronic payment center which interacts with a third party who is the prime owner of the card and which can (1) check whether the electronic payment center has received a pre-validation from a third party, or (2) contact the third party via a communication network and request that the third party validate the purchase, or (3) contact the third party via a communication network and request said at least one PIN code from the third party (claim 1), or (4) contact the third party via a communication network and requesting that the third party validate the sale, or contact the third party via a communication network and requesting the buyer PIN code from the third party (claim 9). To the contrary, the system in SLATER provides for interaction only between the merchant 14 and the financial institution 22 and between the financial institution 22 and the buyer's bank 28. Furthermore, while it can be argued the financial institution 22 or the buyer's bank 28 constitutes a third party, it cannot reasonably be argued that the financial institution 22 or the buyer's bank 28 is the prime owner of the card.

It is also clear that SLATER is entirely silent with regard to performing a pre-validation of buyer information with a third party and performing a validation with the transaction information from the buyer and the seller by the electronic payment center

using a credit/debit card number and a PIN code provided by the buyer wherein the third party is a prime owner of the credit/debit card (claim 16).

While acknowledging that SLATER fails to disclose or suggest performing a pre-validation of buyer information with a third party and performing a validation with the transaction information from the buyer and the seller by the electronic payment center, the Examiner nevertheless asserts that these features are taught by the Abstract of FOLADARE. Applicants respectfully disagree and submits that FOLADARE fails to cure the deficiencies of SLATER.

The Abstract of FOLADARE states the following:

A system and method for allowing a parent to control the use of an ancillary credit or debit transaction card which is issued to a child. A central computer communicates with an issuer computer having a data base containing account information and spending limits for the transaction card and the parent can set a spending limit for the ancillary card given to the child. When the child presents the ancillary transaction card to a merchant in payment of merchandise, the merchant swipes the card and contacts a central computer for card authorization. If the credit limit of the ancillary card holder has been exceeded according to the data base, a method of contacting the parent is transmitted to the central computer. The central computer initiates contact with the parent via two-way communications, for example, two way pager, cellular telephone, or other personal communication service, and queries the parent whether to authorize the transaction by increasing the spending limit of the ancillary cardholder or refusal of the transaction. The parent responds to the central computer via the two-way communications device, and the central computer forwards an approval/refusal code to the merchant. In this manner, a parent can control the maximum transaction card spending by a child.

While it is apparent that this language explains that the third party parent can be contacted in order to approve the transaction between the purchaser and merchant, the Abstract clear explains that this only occurs "[i]f the credit limit of the ancillary card holder has been exceeded". The Examiner has failed to explain how FOLADARE can be read to disclose or suggest, checking, by said electronic payment center, whether or

not said at least one PIN code is valid in combination with one of: checking, by said electronic payment center, whether the electronic payment center has received a pre-validation from a third party; contacting a third party via a communication network and requesting that the third party validate the purchase, and contacting a third party via a communication network and requesting said at least one PIN code from the third party, wherein the third party is a prime owner of the credit/debit card (claim 1).

Furthermore, even assuming that FOLADARE can be read to disclose the recited validation, the claimed invention provides authentication for a sale only when both the pre-validation (provided by 3rd party) and validation (performed by the electronic business center) provide authorization (claim 1) or when a third part is both contacted for validation and request to provide a pin code (claim 9).

It is also clear that FOLADARE is entirely silent with regard to performing a validation with the transaction information from the buyer and the seller by the electronic payment center using a credit/debit card number and a PIN code provided by the buyer in combination with the third party being a prime owner of the credit/debit card (claim 16). To the contrary, FOLADARE is entirely silent with regard to using any PIN codes, much less, one which used during validation.

For at least these reasons, independent claims 1, 9 and 16 are allowable over SLATER with or without FOLADARE.

Allowability of Dependent Claims 4-7, 13-15 and 20-27

The rejections of dependent claims 4-7, 13-15 and 20-25 over SLATER in view of HOPKINS, or SLATER in view of HOPKINS and FLEMING, or SLATER in view of

HOPKINS, FLEMING and GIFFORD, or SLATER in view of ZAMPESE, or SLATER in view of LEWIS, are improper at least because SLATER does not disclose or suggest at least the combination of features recited in the above-noted independent claims.

For example, SLATER does not disclose or suggest an electronic payment center which interacts with a third party who is both a living human being and the prime owner of the card and which can (1) check whether the electronic payment center has received a pre-validation from a third party, or (2) contact the third party via a communication network and request that the third party validate the purchase, or (3) contact the third party via a communication network and request said at least one PIN code from the third party, or (4) contact the third party via a communication network and requesting that the third party validate the sale, or contact the third party via a communication network and requesting the buyer PIN code from the third party. Moreover, the system in SLATER provides for interaction only between the merchant 14 and the financial institution 22 and between the financial institution 22 and the buyer's bank 28. Furthermore, while it can be argued the financial institution 22 or the buyer's bank 28 constitutes a third party, it cannot reasonably be argued that the financial institution 22 or the buyer's bank 28 is the prime owner of the card.

Applicants acknowledge that HOPKINS teaches to verify both an account number and a PIN (see col. 9, lines 55-62). However, it is clear from the cited passage that this is accomplished by checking a database. HOPKINS does not disclose or suggest an electronic payment center which interacts with a third party who is the prime owner of the card and which can (1) check whether the electronic payment center has received a pre-validation from a third party, or (2) contact the third party via a

communication network and request that the third party validate the purchase, or (3) contact the third party via a communication network and request said at least one PIN code from the third party, or (4) contact the third party via a communication network and requesting that the third party validate the sale, or contact the third party via a communication network and requesting the buyer PIN code from the third party.

Applicants acknowledge that FLEMING teaches a system which allows a card holder to set up a separate account for family member with a bank. The system also allows the card holder to change the amount that the family member can purchase with their card (see col. 5, line 10 to col. 10, line 3). However, it is clear from a fair reading of FLEMING that the buyer does not provide both the PIN code and the card number to the bank. FLEMING also does not disclose or suggest an electronic payment center which interacts with a third party who is the prime owner of the card and which can (1) check whether the electronic payment center has received a pre-validation from a third party, or (2) contact the third party via a communication network and request that the third party validate the purchase, or (3) contact the third party via a communication network and request said at least one PIN code from the third party, or (4) contact the third party via a communication network and requesting that the third party validate the sale, or contact the third party via a communication network and requesting the buyer PIN code from the third party.

GIFFORD merely teaches pre-validating buyer information using a separate payment computer. GIFFORD discloses that a buyer computer prepares a payment order and sends it to a separate payment computer for validation. Once validated, the payment computer returns an unforgeable certificate to the merchant computer, which

then performs fulfillment and sends the purchased product(s) to the buyer. Thus, GIFFORD teaches providing authentication for a sale by electronic transaction when the pre-validation alone provides validation. In contrast, the claimed invention provides authentication for a sale only when both the pre-validation (provided by 3rd party) and validation (performed by the electronic business center) provide authorization.

ZAMPESE teaches a system which allows a buyer to securely purchase items from an Internet seller using a card having an account code and a number of secret transaction codes (see col. 3, line 29 to col. 4, line 13). The system also utilizes an account manager 22 which checks a database to verify the authenticity of the account code and the transmitted transaction code (see col. 4, lines 1-13). However, it is clear from a fair reading of ZAMPESE that it does not disclose or suggest an electronic payment center which interacts with a third party who is the prime owner of the card and which can (1) check whether the electronic payment center has received a pre-validation from a third party, or (2) contact the third party via a communication network and request that the third party validate the purchase, or (3) contact the third party via a communication network and request said at least one PIN code from the third party, or (4) contact the third party via a communication network and requesting that the third party validate the sale, or contact the third party via a communication network and requesting the buyer PIN code from the third party.

Finally, Applicants acknowledge that LEWIS teaches a an ID system having the form of a card which is portable and that contains within its housing a number of items such as a verifying means (see col. 7, lines 35-59). However, it is clear from a fair reading of LEWIS that it does not disclose or suggest, among other things, an electronic

payment center which interacts with a third party who is the prime owner of the card and which can (1) check whether the electronic payment center has received a pre-validation from a third party, or (2) contact the third party via a communication network and request that the third party validate the purchase, or (3) contact the third party via a communication network and request said at least one PIN code from the third party, or (4) contact the third party via a communication network and requesting that the third party validate the sale, or contact the third party via a communication network and requesting the buyer PIN code from the third party.

Allowability of Dependent Claims 17-19

The rejection of dependent claims 17-19 over SLATER and FOLADARE as applied to claim 16, and further in view of HOPKINS is improper at least based on the traversal of the combination of SLATER and GIFFORD noted above. Consequently, withdrawal of this rejection is respectfully requested.

CONCLUSION

In view of the foregoing remarks, Applicants submit that all of the claims are patentably distinct from the prior art of record and are in condition for allowance. The Examiner is respectfully requested to pass the above application to issue. The Examiner is invited to contact the undersigned at the telephone number listed below, if needed. Applicants hereby make a written conditional petition for extension of time, if required.

Please charge any deficiencies in fees and credit any overpayment of fees to
International Business Machines Deposit Account No. 09-0457 (Endicott).

Respectfully submitted,
Jacques FIESCHI, *et al.*

A handwritten signature in black ink, appearing to read 'Andrew M. Calderon', written over a horizontal dashed line.

Andrew M. Calderon
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March 15, 2006
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